



# Journal of the House

State of Indiana

115th General Assembly

First Regular Session

Thirty-second Meeting Day

Monday Afternoon

March 19, 2007

The House convened at 1:00 p.m. with Speaker B. Patrick Bauer in the Chair.

The Speaker read a prayer.

The Pledge of Allegiance to the Flag was led by Representative Sheila A. Klinker.

The Speaker ordered the roll of the House to be called:

Austin	Klinker
Avery	Knollman
Bardon ☐	Koch
Battles	Kuzman
Behning	L. Lawson
Bell	Lehe
Bischoff	Leonard
Borders	Lutz
Borror	Mays
Bosma	McClain
C. Brown	Micon
T. Brown	Moses
Buck	Murphy
Buell	Neese
Burton	Niezgodski
Candelaria Reardon	Noe
Cheatham	Orentlicher
Cheney	Oxley
Cherry ☐	Pelath
Cochran	Pflum
Crawford	Pierce
Crooks	Pond
Crouch	Porter
Davis	Reske
Day	Richardson
Dembowski ☐	Ripley
Denbo	Robertson
Dermody	Ruppel
Dickinson	Saunders
Dobis	M. Smith
Dodge	V. Smith
Duncan ☐	Soliday
Dvorak	Stemler
Eberhart	Stevenson
Elrod	Stilwell
Espich	Stutzman
Foley	Summers
Friend	Thomas
Frizzell	Thompson
Fry	Tincher
GiaQuinta	Torr
Goodin	Turner
Grubb	Tyler
Gutwein	Ulmer
E. Harris	VanHaaften
T. Harris	Walorski
Herrell	Welch
Hinkle	Whetstone
Hoy	Wolkins
Kersey	Mr. Speaker

Roll Call 358: 96 present; 4 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, March 20, 2007, at 1:00 p.m.

## BATTLES

Motion prevailed.

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 30

Representative Mays introduced House Concurrent Resolution 30:

A CONCURRENT RESOLUTION recognizing the 500 Festival on the occasion of the 50th anniversary of its founding.

*Whereas, The 500 Festival is marking its 50th anniversary with the unveiling of an exhibit at the Indianapolis Motor Speedway Hall of Fame Museum that is a historical look back at the festival's first 50 years;*

*Whereas, Established in 1957 by four men, the 500 Festival originally consisted of a parade, a square dance, and a gala ball the night before the Indianapolis 500 Mile Race;*

*Whereas, The mission of the 500 Festival, which has not changed throughout its 50 year existence, is "to produce events and programs that celebrate the success of the Indianapolis 500 Mile Race and enhance the quality of life for the citizens of Indiana and their guests";*

*Whereas, Today the 500 Festival plans and organizes the Mini-Marathon, the 5K Run, the 500 Festival Kids' Day and Rookie Run, the Princess Program, the Mayor's Breakfast, Community Day, the 500 Festival and Indianapolis 500 Education Program, the 500 Festival Memorial Service, and the 500 Festival Parade, making it one of the largest festivals in the nation;*

*Whereas, The Indianapolis 500 Mile Race stands alone in the world of sporting events; no other single sporting event has a legacy like it;*

*Whereas, The Indianapolis 500 Mile Race has played an enormous part in shaping and defining Indianapolis, the state of Indiana, and its citizens; and*

*Whereas, The thousands of Hoosiers and visitors to our state who participate in 500 Festival activities each May are celebrating the legacy of the world's greatest spectacle in racing and the festival that has grown up around it: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly recognizes the contributions made by the 500 Festival to the economy of our state, the health of our citizens, and the hours of pleasure and entertainment Hoosiers and visitors to our state have enjoyed over the past 50 years.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Kirk Hendrix, 500 Festival president and CEO.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Lubbers, Howard, and Wyss.

### House Concurrent Resolution 31

Representative Burton introduced House Concurrent Resolution 31:

A CONCURRENT RESOLUTION recognizing Richard Hall and Robert Gregory.

*Whereas, Richard Hall and Robert Gregory founded Ace Mortgage Funding, Inc. in 1998 to focus on the debt consolidation side of the mortgage industry;*

*Whereas, Due to the expertise of Richard Hall and Robert Gregory, Ace Mortgage Funding, Inc. has continued to grow in a market where the popularity of mortgage refinancing has declined;*

*Whereas, Ace Mortgage Funding, Inc. consistently appears on Indiana Business Journal's list of the Indianapolis area's fastest growing private companies;*

*Whereas, Ace Mortgage Funding, Inc. enjoyed a 197% increase in revenue between 2002 to 2004;*

*Whereas, During that same period, the number of employees of Ace Mortgage Funding, Inc. increased from 250 to 600;*

*Whereas, Ace Mortgage Funding, Inc. has offices in Indiana, Arizona, Colorado, Florida, Minnesota, Missouri, Ohio, and Tennessee;*

*Whereas, Robert Gregory and Richard Hall were named the 2005 Ernst & Young Entrepreneur of the Year in the Financial Services category for Indiana; and*

*Whereas, Robert Gregory, Richard Hall, and Ace Mortgage Funding, Inc. continue to support the Indianapolis area and its citizens by providing reliable financing: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly recognizes the accomplishments of Robert Gregory and Richard Hall and wishes them continued success in their business and personal lives.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Richard Hall and Robert Gregory.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Delph.

The Speaker yielded the gavel to the Deputy Speaker Pro Tempore, Representative E. Harris.

### House Concurrent Resolution 32

Representatives T. Harris and Turner introduced House Concurrent Resolution 32:

A CONCURRENT RESOLUTION memorializing Josh McCormick.

*Whereas, Josh McCormick, a freshman at Madison-Grant High School, collapsed during an early morning basketball practice on a December morning in 2006;*

*Whereas, The quick actions of freshman coach Mike Small and a custodian kept Josh McCormick alive by administering*

*CPR until paramedics arrived and used a defibrillator that was kept court-side;*

*Whereas, Unfortunately, Josh passed away later at St. Vincent Hospital in Indianapolis;*

*Whereas, John and Jennifer McCormick began a fundraising effort to help purchase automatic electronic defibrillators (AEDs) for Grant County schools;*

*Whereas, An AED is a device that can restore a normal heartbeat in an individual who has experienced sudden cardiac arrest;*

*Whereas, The effort of the McCormicks came to the attention of Marion General Hospital;*

*Whereas, The hospital agreed to purchase an AED for every educational building in the Grant County school system;*

*Whereas, In an emergency every second counts, and the availability of an AED adds valuable seconds when a life is at stake; and*

*Whereas, The availability of AEDs in every school building throughout the state will add an extra measure of assurance to parents that their children are in a safe and secure environment when they are in Hoosier schools: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly wishes to express its deepest sympathy to the family of Josh McCormick and to urge all school corporations to obtain defibrillators to help prevent this type of tragedy from happening again.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to John and Jennifer McCormick, the principal of Madison-Grant High School, and the administrator of Marion General Hospital.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senators Ford, Kenley, and Dillon.

### House Concurrent Resolution 33

Representative Thompson introduced House Concurrent Resolution 33:

A CONCURRENT RESOLUTION honoring Dr. John McKinney.

*Whereas, Dr. John McKinney has been named the 2007 State Superintendent of the Year by the Indiana Association of Public School Superintendents (IAPSS);*

*Whereas, As the 2007 State Superintendent of the Year, Dr. McKinney becomes Indiana's nominee for the American Association of School Administrators' (AASA) National Superintendent of the Year Award;*

*Whereas, Dr. John McKinney, superintendent of the Danville Community School Corporation, was selected from a group of eight other superintendents;*

*Whereas, Before coming to Danville Community School Corporation in 1994, Dr. McKinney served as superintendent of Zionsville and Cloverdale schools;*

*Whereas, In addition to his duties at Danville Community School Corporation, Dr. McKinney serves on the state superintendents' advisory committee and the election committee for the Indiana Association of Public School Superintendents, is president of the Indiana Coalition of Quality Schools, and is a member of the Indiana chapter of the governing board of St. Joseph School for the Deaf;*

*Whereas, Dr. McKinney is active in his community, serving as*

*president of the Rotary Club and the FFA Foundation and as a member of the Hendricks County Planning Committee and the county Cooperative Extension Advisory Board;*

*Whereas, Dr. McKinney has committed his professional life to educating all students in an atmosphere that will enable them to graduate and ensure that they are capable of entering the workforce or continuing their education in an institution of higher learning and becoming a vital part of their community; and*

*Whereas, Dr. John McKinney helps to provide a strong and effective public school system in Indiana: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates Dr. John McKinney on his selection as the 2007 State Superintendent of the Year and thanks him for his work with young Hoosiers to help ensure a brighter future for the next generation of Indiana citizens.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Dr. John McKinney and his family.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator C. Lawson.

### House Resolution 33

Representative Tyler introduced House Resolution 33:

A HOUSE RESOLUTION honoring Chuck Reynolds and the Spirit of South band and guard.

*Whereas, High school bands have been entertaining Hoosiers at sporting events and competitions for as long as anyone can remember;*

*Whereas, The Muncie Southside High School Spirit of South band and guard is an accomplished group of young musicians and guard members who have displayed their talents at competitions, parades, and concerts for many years;*

*Whereas, Chuck Reynolds, a graduate of Muncie Southside High School, became director of the band in the summer of 2000;*

*Whereas, Under his direction, the Spirit of South band and guard was runner-up at the Indiana State Fair Band Day Contest in 2001 and 2005 and won the contest in 2000, 2002, 2003, 2004, and 2006;*

*Whereas, The Spirit of South band and guard has performed in the Bosco Thanksgiving Day Parade in Philadelphia, Pennsylvania, the Disney Magic Music Days at Disney World, the Indianapolis 500 Festival Parade, and at halftime shows for Indianapolis Colts games and Ball State University;*

*Whereas, In addition to numerous appearances in parades and sporting events, the group has also played for Governor Mitch Daniels and performed with the Indianapolis Symphonic Band and award winning composer James Hosay;*

*Whereas, Involvement with the Muncie Southside High School band and guard is a family experience for Chuck Reynolds and his wife Rhonda, who has been the guard director since 1994;*

*Whereas, Chuck Reynolds and the Spirit of South band and guard pride themselves on being recognized as a progressive and competitive band and guard; and*

*Whereas, The Spirit of South band and guard has established a tradition of excellence through hard work and dedication: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives recognizes the talent of Chuck Reynolds and the members of the Muncie Southside High School band and guard and wishes them continued success in their future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Chuck Reynolds.

The resolution was read a first time and adopted by voice vote.

### House Resolution 34

Representatives Austin and Herrell introduced House Resolution 34:

A HOUSE RESOLUTION congratulating Ryan Nees as the recipient of the 2006 Sunshine Award.

*Whereas, The Sunshine Award is presented annually by the Society of Professional Journalists in recognition of the contributions in the area of open government;*

*Whereas, The Society of Professional Journalists, the largest association of working media professionals in the world, was founded in 1909 as Sigma Delta Chi to promote "the free flow of information vital to a well informed citizenry";*

*Whereas, Ryan Nees was nominated for his Sunshine Award based on "his youth, tenacity, understanding of the law, and his courage in the pursuit of public records";*

*Whereas, Ryan Nees, a Western High School student from Kokomo, requested a list of city-compiled e-mail addresses;*

*Whereas, After being denied a copy of the e-mail list, Ryan Nees filed a civil suit;*

*Whereas, In an 11-page ruling, the court stated that the list is a public record and Ryan Nees is entitled to a copy; and*

*Whereas, Ryan Nees is an extraordinary young man whose interest in government at such an early age indicates the citizen he will become, one who is involved and active in his state: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates Ryan Nees on being selected a recipient of the 2006 Society of Professional Journalists' Sunshine Award.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Ryan Nees and his family and the Society of Professional Journalists.

The resolution was read a first time and adopted by voice vote.

Representative Cherry, who had been excused, was present.

## OTHER BUSINESS ON THE SPEAKER'S TABLE

### HOUSE MOTION

Mr. Speaker: I move that Representative Day be added as cosponsor of Senate Concurrent Resolution 48.

DICKINSON

Motion prevailed.

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 48 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 64 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 30, 32, and 33 and the same are herewith returned to the House.

MARY C. MENDEL  
Principal Secretary of the Senate

## RESOLUTIONS ON FIRST READING

## Senate Concurrent Resolution 48

The Speaker handed down Senate Concurrent Resolution 48, sponsored by Representatives Dickinson and Day:

A CONCURRENT RESOLUTION honoring Cathedral High School.

*Whereas, The 13-2 Cathedral High School Fighting Irish captured the 2006 Indiana High School Athletic Association (IHSAA) Class 4A state football championship title for the sixth time in the school's history;*

*Whereas, The fifth ranked Irish defeated number one ranked and previously unbeaten Concord by a score of 38 to 14, on November 25, 2006, in the RCA Dome in Indianapolis;*

*Whereas, Always a football power, Cathedral holds the state record for victories with 612 wins, 242 losses, and 19 ties since instituting football in 1919;*

*Whereas, During the journey to the championship, the Cathedral Fighting Irish outscored its opponents 203 to 34 and defeated six Class 4A top 10 ranked teams: number one ranked Concord, number three ranked Plainfield, number four ranked Columbus East, number six ranked Whiteland, number eight ranked Roncalli, and number ten ranked Zionsville;*

*Whereas, The championship victory was truly a team effort with the defense controlling the tempo of the game by holding Concord's Minutemen's rushing attack to 17 yards on 20 carries, including six sacks, totaling 34 negative yards for Concord;*

*Whereas, Aaron Rohrer and T. J. Stark helped the cause with two interceptions, and sophomore defensive end Kakpindi Jamiru led the charge with four sacks;*

*Whereas, The Cathedral offense contributed three unanswered touchdowns in the fourth quarter to secure the victory;*

*Whereas, The Irish posted 234 yards on the ground with William Stubbs rushing for 182 yards and two touchdowns, and quarterback Bobby Powers threw for 156 yards with three touchdown passes to Alex Koors, Jonathan Horn, and Brandon Jones;*

*Whereas, Vince Evans added eight points with a field goal and five points after touchdowns to the winning effort;*

*Whereas, Lead by team captains Mark Branigan, Alex Koors, Bobby Powers, Aaron Rohrer, Dan Rutigliano, T. J. Stark, and William Stubbs, Cathedral finished the season ranked second in the state in all classes and 28th in the nation;*

*Whereas, In addition to his contributions in the winning game, quarterback Bobby Powers was named the IHSAA Phil N. Eskew Mental Attitude Award Winner and the National Football Foundation's Scholar Athlete;*

*Whereas, William Stubbs, Alex Hoffman, and Kakpindi Jamiru were named to the AP 2006 All-State Team with Bobby*

*Powers, Alex Koors, Glen Miller, Dan Rutigliano, Vince Evans, Cameron Koehne, Graham Powell, Max Davis, Dan Hess, Robert Maci, Michael Purol, Scott Hunt, T. J. Stark, and Aaron Rohrer being named as honorable mention;*

*Whereas, Alex Hoffman, Dan Rutigliano, William Stubbs, Kakpindi Jamiru, Cameron Koehne, and T. J. Stark were named to the 2006 All City First Team with Mark Branigan, Max Davis, Vince Evans, Dan Hess, Alex Koors, Glenn Miller, Graham Powell, Bobby Powers, and Aaron Rohrer being named as honorable mention;*

*Whereas, Alex Hoffman and William Stubbs were named to the Herald-Times Top 33 All-State Football Team and the Indiana Football Coaches Association's Region 7 All-Star Team, and the Indianapolis Star's 2006 Position Award for the Offensive Line went to Alex Hoffman;*

*Whereas, The Cathedral Irish team was superior on the football field, but also outstanding in the classroom with 80 percent of the team on the Honor Roll during the fall semester, and seniors Mark Branigan, Andrew Hemmerlein, Dan Hess, Alex Hoffman, Brandon Jones, Alex Koors, Brent Lee, Brian Loiselle, Glen Miller, Bobby Powers, Michael Purol, Dan Rutigliano, and T. J. Stark were named to the Academic All-State Team;*

*Whereas, Varsity Head Coach Jim O'Hara was named City Coach of the Year and Indianapolis Colts Coach of the Week; and*

*Whereas, Excellence in any endeavor deserves special recognition: Therefore,*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the Cathedral High School Fighting Irish on its Class 4A football championship and wishes the team continued success in all future endeavors.

SECTION 2. That copies of this resolution be transmitted by the Secretary of the Senate to all team members, Head Coach Jim O'Hara, Offensive Coordinator Mic Roessler, Defensive Coordinator Terry Taphorn, Coaches Tim Barthel, Bill Smith, Chris Kaufman, Darvell Huffman, Greg Boysaw, Makoa Freitas, Darrick Brownlow, Mike Prior, Mark Nash, Howard Fogel, Ron Rohrer, Frank Countryman, Lou Jorczak, Seth Lee, Matt Cole, and Adam Barth, President Steve Helmich, Principal Dave Worland, Athletic Director Terry Fox, Assistant Athletic Director Jennifer Jacoby, Administrative Assistant Maureen Sullivan, AD Athletic Trainer Mike Hunker, Team Physician Dr. Peter I. Sallay, Team Chaplain Father William Munshower, Bagpiper Doug Hardwick, Scouts Scott Alerding, Tom Alerding, and Mike Alerding, Jr., Drivers Ken Kaufman and Greg Bamrick, Videomen Michael P. Alerding and Tom Godby, and Statisticians David George, Scott Stippich, and Anthony Ernst.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

## Senate Concurrent Resolution 64

The Speaker handed down Senate Concurrent Resolution 64, sponsored by Representatives Bosma and Bauer:

A CONCURRENT RESOLUTION memorializing Rachel McGeever.

*Whereas, Rachel McGeever was born December 27, 1940, and died January 17, 2007, at the age of 66;*

*Whereas, Rachel was one of four children born to Catherine and William J. Maloney;*

*Whereas, Rachel graduated from Mount Mercy Academy, a*

*Pittsburgh girls' high school operated by the Sisters of Mercy, and joined that religious order in 1958;*

*Whereas, After receiving her Bachelor of Arts at Carlow College, Rachel taught at Cathedral High School in Pittsburgh and Conestoga High School near Philadelphia;*

*Whereas, Rachel left the religious life in 1969 and continued her graduate studies at the University of Pennsylvania where she met Patrick McGeever, her future husband;*

*Whereas, Rachel and Patrick were married in 1970 and moved to Indianapolis in 1971;*

*Whereas, Rachel finished her law degree at Indiana University in 1984;*

*Whereas, Rachel and Patrick had three children—Kathleen, Timothy, and Brendan;*

*Whereas, Rachel was the proud grandmother of three adored grandchildren - Evan, Harry, and Felix;*

*Whereas, Rachel enjoyed a very successful career, holding positions at the Indiana General Assembly's Legislative Services Agency, the Indiana Bar Foundation, the Indiana Ethics Commission, and the Family and Social Services Agency;*

*Whereas, Rachel's service to the General Assembly was characterized by absolute dedication to the crafting of laws that would serve all citizens fairly and bring honor to the legislative process;*

*Whereas, Although Rachel's career was very important to her, she was much more focused on the people she met;*

*Whereas, Rachel's primary duty in life was to encourage and support those around her;*

*Whereas, Rachel was always ready with a helping hand or a kind word whenever it was needed;*

*Whereas, Rachel touched the lives of many people, and each of them thought of her as a friend who could be counted upon in good and bad times alike; and*

*Whereas, Rachel's long and devoted service to family and community are well known, and the memories of her kindness and caring will endure forever: Therefore,*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly expresses its heartfelt sympathy to the family of Rachel McGeever. Rachel touched the hearts of many members of our legislative family in a kind and wonderful way as only she could. Rachel changed the world for the better simply by being here.

SECTION 2. That copies of this resolution be transmitted by the Secretary of the Senate to the family of Rachel McGeever - husband, Pat, daughter Kathleen, and sons Timothy and Brendan.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Representative Duncan, who had been excused, was present.

## ENGROSSED SENATE BILLS ON SECOND READING

### Engrossed Senate Bill 43

Representative Austin called down Engrossed Senate Bill 43 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 38

Representative Herrell called down Engrossed Senate Bill 38

for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 96

Representative Niezgodski called down Engrossed Senate Bill 96 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 108

Representative L. Lawson called down Engrossed Senate Bill 108 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 150

Representative C. Brown called down Engrossed Senate Bill 150 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 163

Representative Niezgodski called down Engrossed Senate Bill 163 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 165

Representative Orentlicher called down Engrossed Senate Bill 165 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 165-1)

Mr. Speaker: I move that Engrossed Senate Bill 165 be amended to read as follows:

Page 2, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 2. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]:

#### Chapter 31. Community Investment Tax Credit

Sec. 1. As used in this chapter, "affiliate" means the following:

- (1) A parent entity that owns a controlling interest in a federally qualified community development entity.
- (2) Any subsidiary of a parent entity described in subdivision (1) that qualifies as a federally qualified community development entity.

Sec. 2. As used in this chapter, "applicable percentage" means five percent (5%) for each credit allowance date.

Sec. 3. As used in this chapter, "certified development entity" refers to a federally qualified community development entity that is certified by the corporation as a certified development entity under section 24 of this chapter.

Sec. 4. As used in this chapter, "corporation" refers to the Indiana economic development corporation.

Sec. 5. As used in this chapter, "credit allowance date" means:

- (1) the date the corporation certifies a federally qualified equity investment as a state credit; and
- (2) the anniversary of the date described in subdivision (1) in each calendar year remaining in the certified development entity's federal credit period.

Sec. 6. As used in this chapter, "department" refers to the department of state revenue.

Sec. 7. As used in this chapter, "eligible business" means a business that:

- (1) qualifies as a low income community business; and
- (2) is located in Indiana.

Sec. 8. As used in this chapter, "federal credit" refers to

a new markets tax credit granted under Section 45D of the Internal Revenue Code against federal income tax liability.

Sec. 9. As used in this chapter, "federally qualified community development entity" refers to a qualified community development entity (as defined in Section 45D of the Internal Revenue Code) that has an allocation of federal credits.

Sec. 10. As used in this chapter, "federally qualified equity investment" refers to a qualified equity investment (as defined in Section 45D of the Internal Revenue Code) that qualifies a federal taxpayer for a federal credit.

Sec. 11. As used in this chapter, "holder", with respect to a credit allowance date, refers to one (1) of the following:

- (1) The taxpayer or pass through entity that makes the original state certified investment, if the taxpayer or pass through entity owns the state certified investment on a credit allowance date.
- (2) A subsequent taxpayer or pass through entity that owns the state certified investment on a credit allowance date.

Sec. 12. As used in this chapter, "low income community business" refers to a business that qualifies as a qualified active low-income community business (as defined in Section 45D of the Internal Revenue Code).

Sec. 13. As used in this chapter, "pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership;

that is not subject to state tax liability.

Sec. 14. As used in this chapter, "reinvestment in low income communities in Indiana" refers to the use of the assets of a federally qualified community development entity for:

- (1) a capital or an equity investment or loan to an eligible business;
- (2) an equity investment in or a loan to a federally qualified community development entity that is located in Indiana;
- (3) the delivery of financial counseling or other services to a business in or resident of Indiana; or
- (4) a purchase from another federally qualified community development entity of loans that are made to an eligible business;

that qualifies as a qualified low-income community investment (as defined in Section 45D of the Internal Revenue Code).

Sec. 15. As used in this chapter, "state certified investment" refers to a federally qualified equity investment that is certified by the corporation as eligible for a state credit.

Sec. 16. As used in this chapter, "state credit" refers to a credit granted under this chapter against state tax liability.

Sec. 17. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 27-1-18-2 (the insurance premiums tax); and
- (3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 18. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or another entity that has state tax liability.

Sec. 19. Subject to this chapter, a holder that:

- (1) holds a state certified investment on a credit

allowance date; and

(2) does not receive another credit under any other law against state tax liability for the same state certified investment;

is entitled to a community investment tax credit in a taxable year in which a credit allowance date occurs against the holder's state tax liability for the taxable year.

Sec. 20. The amount of a state credit in a taxable year is equal to the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the amount of the state certified investment that is held by a taxpayer on the credit allowance date in the taxable year.

STEP TWO: Multiply the STEP ONE amount by the applicable percentage for the credit allowance date.

Sec. 21. (a) If:

- (1) a pass through entity does not have state tax liability against which the state credit may be applied; and
- (2) the pass through entity would be eligible for a state credit if the pass through entity were a taxpayer;

a shareholder, partner, or member of the pass through entity is entitled to a state credit under this chapter.

(b) Subject to this chapter, the amount of the state credit to which a shareholder, partner, or member of a pass through entity is entitled is the result determined under STEP TWO of the following formula:

STEP ONE: Determine the amount of a state credit for the pass through entity for the taxable year as if the pass through entity were a taxpayer with state tax liability at least equal to the amount of the credit.

STEP TWO: Determine the STEP ONE result multiplied by the percentage of the pass through entity's allocable share of federal credits to which the shareholder, partner, or member is entitled, as determined for federal income tax purposes.

Sec. 22. (a) If the amount of a state credit for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to not more than three (3) subsequent taxable years. The amount of the state credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a state credit under this chapter for any subsequent taxable year.

(b) A taxpayer is not entitled to a carryback or refund of an unused state credit.

Sec. 23. To apply a state credit against the taxpayer's state tax liability, a taxpayer must claim the state credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. A taxpayer claiming a state credit shall submit to the department a copy of the certification letter issued by the corporation under section 25 of this chapter for the state certified investment that entitles the taxpayer to a state credit. In addition, the taxpayer shall submit to the department any additional information that the department determines is necessary for the department to determine whether the taxpayer is eligible for the state credit.

Sec. 24. (a) The corporation shall establish a program to certify federally qualified community investment entities as certified development entities.

(b) An applicant must apply to the corporation for certification in the manner and on the certified development entity application form prescribed by the corporation.

(c) The corporation shall certify an applicant as a certified development entity only if the:

- (1) applicant is a federally qualified community development entity;
- (2) applicant and its affiliates by agreement with the corporation commit to continue to loan to or otherwise reinvest in eligible businesses for a period of at least

seven (7) years concurrent with the federal credit period; and

(3) agreement with the corporation commits to invest at least eighty percent (80%) of the applicant's aggregate gross assets (including reserves) in eligible businesses.

Sec. 25. (a) The corporation shall establish a program to certify federally qualified equity investments as state certified investments.

(b) The corporation may certify a federally qualified equity investment as a state certified investment only if:

(1) a certified development entity designates the federally qualified equity investment for a state credit in a manner and on the designation form prescribed by the president of the corporation; and

(2) the certified development entity that designates the qualified equity investment for a state credit and its affiliates are in compliance with the agreements entered into by the certified development entity and its affiliates under section 24 of this chapter.

(c) The certification of a federally qualified equity investment under this section applies only to credit allowance dates that occur after the certification is made by the corporation.

(d) The corporation shall issue a letter to the certified development entity indicating whether the corporation certifies the federally qualified equity investment as a state certified investment.

Sec. 26. (a) An action by the federal government under Section 45D of the Internal Revenue Code to disallow or recapture a federal credit for a qualified equity investment terminates the state credit only to the extent that the corporation disallows or recaptures the state credit under this section.

(b) A holder of a state certified investment shall notify the corporation if the holder's federal credit for the state certified investment is disallowed or recaptured.

(c) If the federal credit granted for a state certified investment is disallowed or recaptured, the corporation may:

(1) disallow the use of a part of the related unused state credit;

(2) recapture a part of the related state credit that has been applied to the state tax liability of a taxpayer; or

(3) both disallow under subdivision (1) and recapture under subdivision (2) the state credit.

The maximum percentage of the state credit that may be disallowed and recaptured under this section is the percentage of the total federal credit that is disallowed or recaptured under Section 45D of the Internal Revenue Code.

(d) The corporation shall submit a copy of the corporation's determination under this section to the department.

Sec. 27. (a) Before April 1 each year:

(1) after the initial year that a federally qualified community development entity is certified as a certified development entity; and

(2) through the seventh year after the last credit allowance date for the certified development entity's last state certified investment;

the certified development entity shall submit a report to the corporation on the certified development entity's state credit program under this chapter.

(b) The report required by this section is the annual report of the certified development entity for that year that is filed for federal reporting purposes with the community development financial institutions fund. The corporation may require additional information in its discretion, including the following:

(1) Information on the number and amount of state certified investments and federally qualified equity investments made by the entity in Indiana.

(2) A description of each eligible business receiving an investment attributable to a state certified investment.

(3) An update on the financial status of the eligible businesses.

(4) An update on new jobs, increasing wages, total investment, and revenue impact derived from the state certified investment.

(5) The sum of the state credits designated by the certified development entity under this chapter.

(c) The corporation shall submit a copy of the report required by this section to the executive director of the legislative services agency. The report must be in an electronic format under IC 5-14-6.

Sec. 28. Before November 1 in each state fiscal year beginning in an odd-numbered year, the corporation shall provide an evaluation of the state credit program. The evaluation must include an assessment of the:

(1) effectiveness of each certified development entity that receives a state certified investment in creating new jobs and increasing wages in Indiana; and

(2) revenue impact of the certified development entity's state credit program.

The evaluation may include a review of the practices and experiences of other states with similar programs or other similar federal programs. The corporation shall submit the evaluation to the governor and the executive director of the legislative services agency. The report submitted to the executive director of the legislative services agency must be in an electronic format under IC 5-14-6.

Sec. 29. The corporation may adopt rules under IC 4-22-2 to carry out the purposes of this chapter, including rules to do the following:

(1) Facilitate the transfer of state credits earned under this chapter.

(2) Certify an investment for a state credit before the investment has received final approval for a federal credit subject to the condition that the state credit is disallowed if the federal credit is not granted."

Page 2, after line 6, begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JANUARY 1, 2008] (a) The definitions in IC 6-3.1-31, as added by this act, apply throughout this SECTION.

(b) IC 6-3.1-31, as added by this act, applies only to:

(1) federally qualified equity investments initially made; and

(2) taxable years beginning;

after December 31, 2007."

Renumber all SECTIONS consecutively.

(Reference is to ESB 165 as printed March 16, 2007.)

CRAWFORD

Motion prevailed. The bill was ordered engrossed.

### Engrossed Senate Bill 185

Representative Tyler called down Engrossed Senate Bill 185 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 331

Representative Grubb called down Engrossed Senate Bill 331 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 347

Representative Porter called down Engrossed Senate Bill 347 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 408

Representative Porter called down Engrossed Senate Bill 408

for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### Engrossed Senate Bill 445

Representative Niezgodski called down Engrossed Senate Bill 445 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 445-1)

Mr. Speaker: I move that Engrossed Senate Bill 445 be amended to read as follows:

Page 2, line 12, strike "the circuit" and insert "a".

Page 2, line 12, after "court" insert "with jurisdiction in the county".

Page 2, line 26, delete "the circuit" and insert "a".

Page 2, line 26, after "court" insert "with jurisdiction in the county".

Page 3, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 3. IC 35-43-5-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3.7. A person who violates IC 33-42-2-10 commits notario publico deception, a Class A misdemeanor.**"

Renumber all SECTIONS consecutively.

(Reference is to ESB 445 as printed March 16, 2007.)

FOLEY

Motion prevailed. The bill was ordered engrossed.

### Engrossed Senate Bill 550

Representative Welch called down Engrossed Senate Bill 550 for second reading. The bill was read a second time by title.

#### HOUSE MOTION (Amendment 550-1)

Mr. Speaker: I move that Engrossed Senate Bill 550 be amended to read as follows:

Page 26, line 24, delete "or might be".

Page 26, line 34, delete "or might be".

Page 27, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 23. IC 36-2-14-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 23. (a) This section applies to a person who dies without:**

(1) making; or

(2) refusing to make;

**a valid anatomical gift under IC 29-2-16.1.**

**(b) A coroner may release a person's body or allow the removal of a part from a person's body under the jurisdiction of the coroner for transplantation, therapy, research, or education only if all the following requirements are met:**

(1) The coroner must receive a request for the person's body or part from a hospital, physician, or procurement organization.

(2) The coroner must make a reasonable effort to locate and review the person's medical records.

(3) The coroner must make a reasonable effort to determine if the person has made or refused to make a valid anatomical gift under IC 29-2-16.1.

(4) If the coroner is not able to make a determination under subdivision (3), the coroner must make a reasonable effort to locate and inform the appropriate individual listed in IC 29-2-16.1-8 of the individual's option to make or object to making an anatomical gift of the person's body or part. A search to locate an appropriate individual listed in IC 29-2-16.1-8 must be conducted for at least twelve (12) hours unless the

useful life of a requested part precludes a search of at least twelve (12) hours. The search must include a check of local law enforcement agency missing persons records, an examination of the decedent's personal effects, and the questioning of any individuals who:

(A) reported the person's death;

(B) visited the person in the hospital in which the person died; or

(C) claimed or accompanied the person's body after the person died;

to obtain information that might lead to the location of an individual listed in IC 29-2-16.1-8.

(5) Evidence does not exist that indicates that, at the time the person died, the person was a member of a religion, church, sect, or denomination that has religious tenets that would be violated by the disposition of the person's body or parts for transplantation, therapy, research, or education.

(6) The release of the body or removal of a part will not interfere with any autopsy or medicolegal investigation.

(c) If a person's body is not under the jurisdiction of the coroner, the medical examiner may release the body or allow the removal of a part for transplantation, therapy, research, or education only if the requirements of subsection (b) are met.

(d) A coroner or medical examiner who releases a person's body or allows the removal of a part of a person's body under this section shall maintain a permanent record of the following:

(1) The name of the person who died.

(2) The name of the person who requested the body or part.

(3) The date and purpose of the request.

(4) If less than the whole body was requested, the part that was requested.

(5) The name of the person to whom the body or part was released."

Renumber all SECTIONS consecutively.

(Reference is to ESB 550 as printed March 13, 2007.)

ORENTLICHER

After discussion, Representative Orentlicher withdrew the motion.

#### HOUSE MOTION (Amendment 550-2)

Mr. Speaker: I move that Engrossed Senate Bill 550 be amended to read as follows:

Page 16, line 7, after "death" insert "in a hospital".

Page 16, line 21, delete "criminal or".

Page 16, line 23, after "to" insert "criminal liability or".

Page 17, line 40, delete ";" and insert "in a hospital;"

Page 18, line 11, delete "criminal or".

Page 18, line 12, after "to" insert "criminal liability or".

Page 19, line 24, after "chapter" insert ", IC 36-2-14-21,"

Page 22, line 22, delete "or".

Page 22, line 23, delete "." and insert ", or training."

Page 22, line 29, after "shall" insert ", when practicable,"

Page 23, line 2, after "coroner" insert "or pathologist".

Page 23, line 4, delete "." and insert "or from using the body or parts of a decedent under the jurisdiction of the coroner for the purposes of research, education, or training required by the coroner or pathologist."

Page 26, line 37, delete "," and insert "or interfere with the preservation or collection of evidence,"

Page 26, line 41, delete "." and insert ", delay the recovery, or deny the recovery."

Page 27, line 3, delete "," and insert "or, in tissue procurement cases, if the coroner or designee determines that, for evidentiary purposes, the body must remain



undisturbed prior to autopsy,".

Page 27, line 5, delete "making a denial." and insert "**denying the recovery of a part. When practicable, the coroner and pathologist shall work with the procurement organization to facilitate removal of a part following any postmortem examination of the decedent.**".

Page 27, line 6, after "subsection" insert "**(e) or**".

Page 27, line 15, delete ", upon" and insert "**shall do the following:**

**(1) At the request of the coroner or designee and when practicable, perform diagnostic studies that would aid in documenting the presence or absence of injuries.**

**(2) Cause the physician or technician who removes the part to explain in a signed record the condition of the part, including the presence or absence of any injuries to the part or any surrounding tissue or organs.**

**(3) Provide a copy of the record described in subdivision (2) to the coroner and the investigating law enforcement agency.**

**(4) Cause the physician or technician who removes the part to photograph, collect, preserve, and maintain the appropriate chain of custody of any evidence that is found during procurement.**

**(5) Cause the physician or technician who removes the part to collect blood and other bodily fluid samples as directed by the coroner or designee.**

**(6) Cause the physician or technician who removes the part to, upon the request of the coroner or designee, photograph, biopsy, or provide any other information and observations concerning the part or body that would assist in the postmortem examination.**

**(i) If a coroner or designee must:**

**(1) be present at a removal procedure under subsection (f); or**

**(2) perform duties at times other than those that are usual and customary for the coroner or designee to maximize tissue or eye recovery under IC 29-2-16.1-21(b);**

**at the request of the coroner or designee, the procurement organization that requested the recovery of the part shall reimburse the coroner or designee for the additional costs incurred by the coroner or designee to comply with subsection (f) or IC 29-2-16.1-21(b)."**

Page 27, delete lines 16 through 20.

(Reference is to ESB 550 as printed March 13, 2007.)

DVORAK

Motion prevailed. The bill was ordered engrossed.

### **Engrossed Senate Bill 166**

Representative Reske called down Engrossed Senate Bill 166 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

## **ENGROSSED SENATE BILLS ON THIRD READING**

### **Engrossed Senate Bill 41**

Representative Kuzman called down Engrossed Senate Bill 41 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 359: yeas 96, nays 1. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

### **Engrossed Senate Bill 450**

Representative Stemler called down Engrossed Senate Bill 450 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 360: yeas 90, nays 8. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

### **Engrossed Senate Bill 502**

Representative Kuzman called down Engrossed Senate Bill 502 for third reading:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

The bill was read a third time by sections and placed upon its passage. The question was, Shall the bill pass?

Roll Call 361: yeas 83, nays 13. The bill was declared passed. The question was, Shall the title of the bill remain the title of the act? There being no objection, it was so ordered. The Clerk was directed to inform the Senate of the passage of the bill.

## **OTHER BUSINESS ON THE SPEAKER'S TABLE**

### **HOUSE MOTION**

Mr. Speaker: I move that Representative Koch be added as cosponsor of Engrossed Senate Bill 125.

KUZMAN

Motion prevailed.

### **HOUSE MOTION**

Mr. Speaker: I move that Representatives Reske and Kuzman be added as cosponsors of Engrossed Senate Bill 128.

TYLER

Motion prevailed.

### **HOUSE MOTION**

Mr. Speaker: I move that Representative Richardson be added as cosponsor of Engrossed Senate Bill 157.

AUSTIN

Motion prevailed.

### **HOUSE MOTION**

Mr. Speaker: I move that Representatives Mays and Turner be added as cosponsors of Engrossed Senate Bill 165.

ORENTLICHER

Motion prevailed.

### **HOUSE MOTION**

Mr. Speaker: I move that Representative Reske be added as cosponsor of Engrossed Senate Bill 185.

TYLER

Motion prevailed.

### **HOUSE MOTION**

Mr. Speaker: I move that Representative Goodin be added as cosponsor of Engrossed Senate Bill 331.

GRUBB

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Goodin be added as cosponsor of Engrossed Senate Bill 371.

TYLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Goodin be added as cosponsor of Engrossed Senate Bill 450.

STEMLER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Hoy be removed as sponsor and Representative Dembowski removed as cosponsor of Engrossed Senate Bill 508.

HOY

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Stemler, the House adjourned at 3:15 p.m., this nineteenth day of March, 2007, until Tuesday, March 20, 2007, at 1:00 p.m.

B. PATRICK BAUER

Speaker of the House of Representatives

CLINTON McKAY

Principal Clerk of the House of Representatives